

Message Text

CONFIDENTIAL

PAGE 01 JOHANN 01701 060924Z
ACTION AF-10

INFO OCT-01 ISO-00 NRC-05 ERDA-05 OES-07 ACDA-07 PM-04
EB-07 CIAE-00 INR-07 NSAE-00 L-03 COME-00 EUR-12
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FM AMCONSUL JOHANNESBURG
TO SECSTATE WASHDC 6324
INFO AMEMBASSY PRETORIA

C O N F I D E N T I A L JOHANNESBURG 1701

E.O. 11652: GDS
TAGS: TECH, ESTC, BEXP, SF
SUBJECT: TELEDYNE CAST PRODUCTS - POSSIBLE ATTEMPT TO EXPORT
SOURCE MATERIAL (NRC 77-19)

REF: A) STATE 109192 B) STATE 134883 C) JOHANNESBURG 1630

1. BY APPOINTMENT, POST'S E/C OFFICER VISITED SUBJECT FIRM DURING
MORNING OF JULY FIRST. FYI ESTABLISHMENT IS OFF THE BEATEN TRACK
SOME FOUR MILES FROM THE BENONI/BONAERO PARK OFF-RAMP OF THE MAIN
JOHANNESBURG-PRETORIA HIGHWAY, APPROXIMATELY 40 MILES FROM JOHANNESBURG.

IT IS NOT IN AN INDUSTRIAL DISTRICT. PREMISES ARE SURROUNDED BY
A DOUBLE EXTREMELY TIGHT SECURITY FENCE AND SECURITY PRECAUTIONS
UPON ENTRANCE ARE VERY TIGHT INDEED. ENTRANCE IS BY ENTERING GUARD
HOUSE FOR TELEPHONIC PRE-CLEARANCE TO CONFIRM APPOINTMENT; REGISTR-
ATION; CLIP-ON IDENTIFICATION BADGE AND HAND-CARRIED SIGN OUT SLIP
WHICH MUST BE SIGNED WITH THE TIME BY THE OFFICER MEETING THE
VISITOR WITH THE GUARDS FURTHER CHECKING THE TIME INTERVAL AT GATE
UPON DEPARTURE.

2. INTERVIEW WAS WITH JAN SCHREUDER, MANAGER. FIRMS PRECISE
ADDRESS IS: TELECAST ENGINEERING WORKS (PTY) LTD, DORNIER ROAD,
BOKSBURG 1460 TRANSVAAL, REPUBLIC OF SOUTH AFRICA; TELEPHONE (011)
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PAGE 02 JOHANN 01701 060924Z

973-2230; TELEX 8-6744 S.A.

3. SCHREUDER ADMITTED THAT FIRM HAD BEEN TRYING (HE SAID WITHOUT
SUCCESS) TO IMPORT THORIUM FROM THE UK, THE US AND THE FRG. HE
SAID FIRM'S PROBLEMS IN IMPORTING ARE BECAUSE, AS HE SEES IT, THERE
IS A BASIC MIS-UNDERSTANDING OR DIFFERENCE OF OPINION. FIRM DOES
NOT WANT THORIUM FOR ENERGY PURPOSES; RATHER FIRM USES THORIUM FOR

ALLOY IN SPECIALIZED CASTINGS INCLUDING EXPERIMENTAL CASTINGS
AND LIFE IS DIFFICULT SIMPLY BECAUSE US(AND UK AND FRG) AUTHORITIES
TREAT IT AS SOURCE MATERIAL.

4. WITH RESPECT TO DEPARTMENT'S QUESTIONS WE HAVE FOLLOWING COMMENTS:

A) PROFILE ON TELECAST. WTDR IN PROCESS; QUESTIONNAIRE LEFT WITH
SCHREUDER WHICH SHOULD PROVIDE ANSWERS TO QUESTIONS ON NUMBER OF
EMPLOYEES; FIRM'S BANKDERX (ON BASIS OF WHICH WE CAN GET FURTHER DATA
ON REPUTATION/CREDIT-WORTHINESS, ETC.,) DETAILS OF OPERATIONS AND SO
FORTH. FYI - FIRM HAD REFUSED TO ANSWER SUCH QUESTIONNAIRE MAILED
UPON RECEIPT OF STATE 109192 THUS, IT WAS NECESSARY TO HAND-DELIVER
FOR PURPOSES THIS INVESTIGATION. MEANWHILE, SCHREUDER SAID THAT
FIRM'S RELATIONSHIP WITH TELEDYNE IS "AT ARM'S LENGTH". IT DOES NOT
HAVE A LICENSING AGREEMENT (REPORTING OFFICER ASKED THIS QUESTION);
RATHER, HE SAYS, THEY HAVE AN AGREEMENT TO CONSULT ON AN EXCHANGE OF
TECHNOLOGY. HE SAID TELECAST HAS ALSO PURCHASED EQUIP/SUPPLIES
FROM TELEDYNE BUT WOULD NOT COMMENT FURTHER ON EXACTLY WHAT "THEY
PURCHASED". SCHREUDER SAID FIRM HAS BEEN IN OPERATION FOR NEARLY
THREE YEARS AND IS STILL REALLY IN EXPERIMENTAL AND DEVELOPMENTAL
STAGES. HE SAID THEY MAKE CASTINGS -- HIGHLY SPECIALIZED ONES,
AS WELL AS EXPERIMENTAL ONES IN WHICH THEY USE THORIUM. CURRENTLY,
THEY ARE MAKING THEM FOR THE AUTO INDUSTRY AND HAVE A MAJOR PROJECT
TO DEVELOP SPECIAL CASTINGS FOR A WANKEL-TYPE ENGINE USING THORIUM AS
AN ALLOY ELEMENT WITH MAGNESIUM IN CASTINGS. THEY ARE ALSO EXPERI-
MENTING WITH SUCH ALLOYS FOR INDUSTRIAL GEAR-BOX HOUSINGS. HE SAID
CONFIDENTIAL

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PAGE 03 JOHANN 01701 060924Z

THAT THEY HAVE CONTRACTS WITH SASOL-II (THE SOUTH AFRICAN COAL
GASIFICATION PROJECT) AND WITH THE AUTO INDUSTRY WHICH HE WOULD NOT
SPECIFY. HE SAID THEY BUY SUBSTANTIALLY FROM UNION CARBIDE (AND
WE SHALL CHECK THIS OUT AND REPORT SINCE UNION CARBINE SOUTH
AFRICA HQ IS IN JOHANNESBURG AND WE SHOULD BE ABLE TO GET APPROP-
RIATE LEADS/ANSWERS.)

B. QUANTITY. SCHREUDER SAID NONE. HE DID SAY THAT THEY HAVE A
FEW CASTINGS CONTAINING THORIUM BUT WOULD GO NO FURTHER.

C. RECORDS. NONE SAID SCHREUDER SINCE NONE HAD BEEN ALLOWED TO
BE EXPORTED TO TELECAST FROM THE US.

D. PLANNED UTILIZATION. FOR CASTINGS AS ABOVE BUT POINT MOOT
ACCORDING TO SCHREUDER.

E. RECORDS OF ALL RECEIPTS. AGAIN, NONE ACCORDING TO SCHREUDER.

5. SCHREUDER SAID THAT HE HAD BEEN TO US AND HAD VISITED TELEDYNE
CAST PRODUCTS IN POMONA, CALIFORNIA IN SEPTEMBER, 1976. HE SAID
W H DORRICOTT AND HUGH CRIPE OF TELEDYNE HAD VISITED TELECAST IN
SOUTH AFRICA ABOUT A MONTH OR SO AGO. INTERVIEW WAS CORDIAL BUT
COOL AND BEFORE CALLING FOR ITS TERMINATION, SCHREUDER ASKED WHY

THERE SHOULD BE A FUSS ABOUT USING THORIUM FOR LEGITMATE INDUSTRIAL
PURPOSES AND EXPERIMENTATION WHEN IT IS USED FOR ROUTINE PURPOSES
IN THE US AND CANADA IN THE FORM OF THORIUM OXIDE FOR THE GLOWING
BAG IN LPG GAS LAMPS? THE REPORTING OFFICER DID NOT GET THE
IMPRESSION THAT SCHREUDER WOULD BE PARTICULARLY RESPONSIVE TO FURTHER
QUESTIONS OR TO FURTHER INTERVIEWS. IN RESPONSE TO A QUESTION HE
DID SAY THAT THERE IS NO OFFICIAL SOUTH AFRICAN GOVERNMENT CONNECTION
WHATSOEVER WITH TELECAST.
KIRBY

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